BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF CRESCENT POINT ENERGY U.S. CORPORATION FOR AN ORDER ESTABLISHING A 640-ACRE DRILLING UNIT FOR THE PRODUCTION OF OIL, GAS, AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER AND GREEN RIVER-WASATCH FORMATIONS IN SECTION 9, TOWNSHIP 4 SOUTH, RANGE 2 EAST, U.S.M., UINTAH COUNTY, UTAH.

NOTICE OF HEARING

Docket No. 2016-009 Cause No. 142-14

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, APRIL 27, 2016, at 10:00 AM, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah. The hearing will be streamed live on the Department of Natural Resources YouTube channel at https://youtu.be/OBYlmoztBDM.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq., and as provided for in Utah Code Ann. § 40-6-1 et seq., and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Request for Agency Action filed by Crescent Point Energy U.S. Corporation (the "RAA")that the Board enter an Order:

1. Establishing a 640-acre drilling unit for the production of oil, gas, and associated hydrocarbons from the Lower Green River and Green River-Wasatch Formations, defined for purposes of the RAA as follows (the "Subject Formation"):

That interval below the stratigraphic equivalent of 9,600 feet depth in the "E" Log of the Carter #2 Bluebell Well located in the SW/4NW/4, Section 3, Township 1 South, Range 2 West, U.S.M. (which equivalence is the depth 9,530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron #1 Blanchard Well located in the NW/4SE/4 of said [Section 3]), to the base of the Green River-Wasatch formations, which 9,600-foot depth is equivalent to 5,955 feet in CPE's Randlett Gavitte 13-23-3-1E Well, located in the SW/4SW/4 of Section 23, Township 3 South, Range 1 East, U.S.M.

with respect to the following lands located in Uintah County, Utah (the "Subject Lands"):

Township 4 South, Range 2 East, U.S.M.

Section 9: All

- A. Declaring that the Subject Formation is a "common source of supply," as contemplated by Utah Code Ann. § 40-6-2(19);
- B. Establishing the 640-acre Unit (as defined in the RAA) upon the Subject Lands for the Subject Formation for the Existing Vertical Wells and Existing SLHZ Well (as those terms are defined in the RAA), and future Vertical and SLHZ Wells (defined as

approximately one-mile long lateral horizontal wellbores as further defined in the RAA), effective the date of issuance of the order of the Board issued pursuant to the RAA;

- C. Designating 40-acre Tracts (or well-location areas only for purposes of locating vertical wells drilled to and producing from the Subject Formation and not as separate drilling or spacing units as provided for in Utah Code Ann. § 40-6-6) upon the Subject Lands for the Subject Formation for all Existing Vertical Wells and future Vertical Wells, effective the date of issuance of the order of the Board issued pursuant to the RAA;
- D. Authorizing the drilling, completion, and operation of one Vertical Well in each 40-acre Tract on the Subject Lands (inclusive of the Existing Vertical Wells), and up to 16 Vertical Wells in the subject governmental section comprising the Subject Lands (inclusive of Existing Vertical Wells) for the Subject Formation;
- E. Authorizing the drilling, completion, and operation of up to 12 SLHZ Wells in the 640-acre Unit (inclusive of the Existing SLHZ Well) for the Subject Formation;
- F. Providing that Future Vertical Wells within each 40-acre Unit Tract be drilled, completed, and operated such that any future Vertical Well may be located in the center of any governmental quarter-quarter section, with a 400 foot window of tolerance, located no closer than: (i) 460 feet from the boundaries of any 40-acre Tract and (ii) 920

feet to any other Existing Vertical Well or future Vertical Well, absent an exception location approved pursuant to Rule R649-3-3, U.A.C.;

- G. Providing for future SLHZ Well producing interval setbacks of 330 feet laterally from any Existing Vertical Well or future Vertical Well, absent an exception location approved pursuant to Rule R649-3-3, U.A.C.;
- H. Providing for producing interval setbacks of 330 feet laterally from the north and south boundaries of the 640-acre Unit absent an exception location approved pursuant to Rule R649-3-3, U.A.C.;
- I. Providing for producing interval setbacks of 560 feet laterally from the east and west boundaries of the 640-acre Unit, absent an exception location approved pursuant to Rule R649-3-3, U.A.C.;
- J. Providing for producing interval setbacks of 330 feet laterally from the producing interval of the Existing SLHZ Well, or any future SLHZ Well, within the 640-acre Unit, absent an exception location approved pursuant to Rule R649-3-3, U.A.C.;
- K. Providing that there shall be no interwell producing interval setback distance laterally within the 640-acre Unit between Stacked SLHZ Wells (as defined in the RAA), absent an exception location approved pursuant to Rule R649-3-3, U.A.C.;

- L. Providing for producing interval setbacks of 100 feet vertically from the producing interval of another Stacked SLHZ Well within the 640-acre Unit, absent an exception location approved pursuant to Rule R649-3-3, U.A.C.;
- M. Providing that the surface location of any future Vertical Well may be located pursuant to Rule R649-3-2, U.A.C.;
- N. Providing that the surface location of any future SLHZ Well may be located anywhere within the 640-acre Unit, absent an exception location approved pursuant to Rule R649-3-3, U.A.C., and subject to the acquisition of proper surface and subsurface estate authorizations and the casing/cementing of any future SLHZ Well to the 330 foot setback set forth in Paragraph F above, both of which to be evidenced by a self-certification of the same executed by the operator of such 640-acre Unit and filed with the Utah Division of Oil, Gas and Mining (the "Division"), and provided that the other setbacks set forth above are otherwise maintained;
- O. Providing that the surface location of any future SLHZ Well may be located outside of the 640-acre Unit, absent an exception location approved pursuant to Rule R649-3-3, U.A.C., and subject to the acquisition of proper surface and subsurface estate authorizations and the casing/cementing of any future SLHZ Well to the 330 foot setback set forth in Paragraph F above, both of which to be evidenced by a self-certification

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of the same executed by the operator of such 640-acre Unit and filed with the Division, and provided that the other setbacks set forth above are otherwise maintained; and

2. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than April 11, 2016. A party must file a timely written objection or other response in order to participate as a party at the Board hearing. Failure to participate can result in a default judgment.

Natural persons may appear and represent themselves before the Board. All other representation of parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned, and inspected online at the Utah Board of Oil, Gas and Mining's website at http://ogm.utah.gov/amr/boardtemp/redesign/books.html.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 29th day of March, 2016.

STATE OF UTAH BOARD OF OIL, GAS AND MINING Ruland J Gill, Jr., Chairman

/s/Julie Ann Carter Board Secretary

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2016-009 Cause No. 142-14 to be PUBLISHED in the following newspapers on the following days:

April 3, 2016:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

April 5, 2016:

<u>Uintah Basin Standard</u>, a newspaper of general circulation in Duchesne and Uintah Counties.

April 5, 2016:

<u>Vernal Express</u>, a newspaper of general circulation in Daggett and Uintah Counties.

Julie Amn (au Tar

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of March, 2016, I caused a true and correct copy of the foregoing **NOTICE OF HEARING** for Docket No. 2016-009, Cause No. 142-14, to be mailed by Email or via First Class Mail with postage prepaid, to the following:

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Frances C. Loos, Mary C. Brinkerhoff And Patricia C. Gilson, Successor Trustees Of The Fawn B. Coltharp Family Living Trust Dated May 25. 2142 Eastwood Ogden, UT 84403

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